GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2336
ANSWERED ON:14.03.2008
VIOLATION OF NORMS BY PRIVATE POWER DISTRIBUTION COMPANIES
Gangwar Shri Santosh Kumar;Malhotra Prof. Vijay Kumar;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of POWER be pleased to state:

(a) whether the private power distribution companies in the National Capital Territory of Delhi are supplying power to other States at higher tariff in order to earn more profit;

(b) if so, the details thereof along with the reasons therefor; and

(c) the action taken by the Government against these companies in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHIL KUMAR SHINDE)

(a) to (c) : Distribution Companies are regulated by the concerned State Electricity Regulatory Commission under the provisions of the Electricity Act, 2003.

The following has been intimated by the Delhi Electricity Regulatory Commission:-

1. The peculiar load demand pattern in Delhi translates to huge shortfalls in availability of power during peak seasons and peak load periods during days vis-Ã -vis the power tied-up through long term Power Purchase Agreement (PPA) for NCT of Delhi. These shortfalls are met by procuring power at market rates.During off-peak period, there are some surpluses of power which are, similarly, traded through bilateral trading/Unscheduled Interchange (UI) and the revenue so realized helps in partly off-setting the purchases made at market rates to meet the peak demand.In other words, such sales help reduce the revenue gap to a certain extent.

2. The private Distribution Companies (DISCOMs) in the NCT of Delhi as also the NDMC and MES are supplying power to the other States only when there is surplus power available over and above the requirement in their respective distribution area. The revenue realized by these utilities on account of sale of such surplus power is accounted for in the Annual Revenue Requirement (ARR) and finally leads to reduction in revenue gap.

3. The Commission vide its Order dated 31.3.2007 re-assigning the Power Purchase Agreements to the distribution utilities including deemed licensees in the NCT of Delhi has given the following directions to all the distribution utilities regarding sale of surplus power:-

`If the allocation results in any excess capacity in the hands of any of the Distribution Companies/agency at any time, such excess capacity shall be offered to other distribution utilities in Delhi at the first instance and only if such spare capacity cannot be absorbed within Delhi, it shall be offered to others. Necessary arrangements for this purpose shall be evolved in the Power Procurement Group constituted by the Government of NCT of Delhi.`